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SUBJECT: Wisconsin Rural Development Guaranteed Rural Housing (GRH) Update

TO: Approved GRH Lenders and Originators

Following is important information regarding the funding status and program delivery of Wisconsin's GRH loan program. Please distribute this information to all of your branch offices, correspondent banks, or mortgage originators that originate GRH loans in Wisconsin.

Urgent!

GRH FISCAL YEAR 2003 FUNDING STATUS

Urgent!

On Thursday December 19th Wisconsin Rural Development was notified that the GRH funding that was made available under the current continuing resolution is nearly depleted. Our National Office will be pooling all remaining GRH funds at the Close of Business today. It is expected that adequate funding will remain available for refinance transactions after pooling. Funding for purchase transactions will be available on a very limited basis for hardship situations through the National Office. As a result, we will not be able to accept new Reservations of Funds on purchase transactions beginning December 23rd until a new continuing resolution is passed which provides additional funding for the GRH program. It is expected that additional funding will become available in mid-January when a new continuing resolution is expected to be approved.

All outstanding requests for a Reservation of Funds that have a confirmation from Rural Development will be honored. **In order to ensure that Wisconsin has access to the maximum amount of funds available, we need lenders to immediately fax any requests for Reservation of Funds to 715-345-7699.** We will be issuing confirmations of funds through the close of business today from our current allotment of funds until it is depleted.

We are sorry for this inconvenience during this busy time of the year. Lenders are encouraged to continue accepting and processing new GRH applications with the expectation that funding will become available in mid-January so that your closings can take place by the end of the month.

If you have any questions regarding this memo, call (715) 345-7620 for Dawn Wanta at Ext. 116.

/s/

PETER G. KOHNEN
Rural Housing Program Director

PGK: pjb

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